

Message Text

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41

ACTION EB-11

INFO OCT-01 AF-10 EUR-25 NEA-10 ISO-00 INT-08 COME-00

TRSE-00 OMB-01 FEA-02 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 DRC-01 SCI-06 /152 W

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R 191120Z JAN 74

FM USINT ALGIERS

TO SECSTATE WASHDC 0030

INFO AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY PARIS

AMEMBASSY RME

USMISSION OECD PARIS

USMISSION EC BRUSSELS

UNCLAS ALGIERS 0117

E.O. 11652: N/A

TAGS: ENRG, AG

SUBJ: ENERGY: ALGERIAN OIL POSTED PRICE

REF: 0116 ALGIERS

STATE ALSO FOR T/IEP

1. MINISTRY OF INDUSTRY OFFICIAL EXPLAINED CALCULATION OF NEW
ALGERIAN CRUDE POSTED PRICE AS FOLLOWS:

11.651 PRICE OF SAUDI ARABIAN 34 DEGREE AS1 CRUDE

1.336 SULFUR DIFFERENTIAL FOR ALGERIAN CRUDE

.600 GRAVITY DIFFERENTIAL FOR ALGERIAN CRUDE

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2.620 FREIGHT DIFFERENTIAL FOR ALGERIAN CRUDE

16.216 ALGERIAN POSTED PRICE

2. ALGERIAN CRUDE BEING 44 DEGREE AS1, ALGERIANS CREDIT IT WITH 6 CENTS A DEGREE OR 60 CENTS.

3. FREIGHT DIFFERENTIAL HAS BEEN RECALCULATED ON BASIS OF 75 PERCENT OF ALGERIAN OIL EXPORTS TO LAVERAS, FRANCE AND 25 PERCENT TO ROTTERDAM. OLD CALCULATION WAS ON BASIS OF 50 PERCENT EACH. ON THIS BASIS DIFFERENCE IN FREIGHT RATES FROM QATAR IS CALCULATED. THEN MULTIPLIED BY WORLD SCALE 149 (DECEMBER FIGURE) AND THEN DIVIDED BY .6P TO CALCULATE BASIS FOR ALGERIAN TAX. THESE TWO INCREASES RAISE TO \$2.63 FREIGHT ADVANTAGE FOR PURPOSE OF CALCULATING ALGERIAN POSTED PRICE.

4. IT SHOULD BE NOTED THAT ALGERIAN POSTED PRICE IS FISCAL BASE FOR TAXING ALGERIAN CRUDE PRODUCED BY FOREIGN COMPANIES. IN 1972 THIS IN EFFECT APPLIED ONLY TO 11.8 MILLION TONS PER YEAR PRODUCED BY ELF, TOTAL AND GETTY OUT OF 50 MILLION TON PRODUCTION. THEREFORE GRAT MAJORITY OF ALGERIAN CRUDE IS OWNED BY SONATRACH AND SOLD AT NEGOTIATED PRICES.
EAGLETON

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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30 JUN 2005

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TAGS: ENRG, AG
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